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HCBS Manual Transmittal 2004-6: Chapter 116, Fee-for-Service System

TO: Executive Directors, Regional Development Centers
Executive Director, The Legacy Link, Inc.
Executive Director, SOWEGA Council on Aging, Inc.
Directors, Area Agencies on Aging

FROM: Maria Greene, Director
Division of Aging Services

DATE: June 16, 2004

This transmits in final form the manual chapter listed above. This document was issued as a draft for a review and comment period in September 2003. Due to some significant modifications made since then, we delayed the issuance in order to conduct a limited field test of the proposed revised fee scale.

Chapter 116 supercedes Procedural Issuance 103, issued in November 1994. This manual transmittal reflects changes in cost-share options brought about as a result of the reauthorization of the Older Americans Act in 2000, which implemented a cost-share option for certain Older Americans Act Services.

We have also made significant changes to the fee scale which we introduced in 1994. The scale is arrayed over more steps and the baseline has been adjusted to 100 percent of poverty. People with incomes at or below poverty still will not be asked to pay a cost share. A modest cost share will apply at the next level of up to 125 percent of poverty. This is a change for which we will grandfather current consumers whose incomes are at that level. The top step at which 100 percent of the cost of services is to be recovered has been raised to households with incomes at 400 percent of poverty. Spreading the cost share over more steps reduces the impact on the individuals who are being asked to pay part of the cost of a service.

As companion interview guides, we are providing household income charts, which we hope will allow staff to determine income within a set of ranges, rather than identify specific income information. These are provided in response to concerns expressed that applicants are often unwilling to disclose specific income information and the staff's desire to preserve confidentiality regarding income information. A result has been that income data are not consistently reflected in the AIMS for whatever reason. Since income is not used to determine programmatic eligibility, we can dispense with collecting specific income information, although we are still required to identify those persons with incomes at/below poverty to meet federal reporting requirements. We believe that this new approach achieves both objectives.

We hope these tools will be useful. Our thanks go to Lauren Burby, DAS Program Manager, Melina Edmunds, Heart of Georgia Altamaha AAA, and Scott Courson, Southeast Georgia AAA, who assisted with developing and field testing the tools.

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Attached for your convenience are comments we received on this chapter and our responses. Also attached excerpt from the original Procedural Issuance, providing the rationale for implementing the system. This still may be useful in training and retraining staff and providers.

Please assure that staff and contractors receive these chapters promptly and enter receipt and distribution dates on the Record of Manual Transmittal log. The document is formatted to be printed or copied on hole-punched paper, on both sides of the page. We also will post the chapters to the DAS webpage in the near future.

We thank you for your ongoing support of and participation in the policy development process. If you have questions, please contact your assigned Program Manager or Beverly Littlefield at 404-657-5322 or by e-mail at brlittl@dhr.state.ga.us.

C: DAS Leadership Team

HCBS Manual Chapter 116, Fee-for-Service System - Comments, Questions, Responses

Question: §116 Appendix A – Income Worksheet If a client is a CCSP client, will there be a need to complete two different income worksheets or can there be a combined worksheet to take the place of the CCSP and HCBS worksheets that are currently utilized?

DAS Response: A combined worksheet can be used as long as the method for determining total net household income for the purpose of HCBS cost share is used. We do not want staff duplicating effort, so if income information can be obtained that will suffice for either or both programs, we will accept that documentation.

§116 Appendix A – Income Worksheet When calculating (Minus) Out of Pocket Health Care and Prescription Costs, do you include a deduction on this line for any cost share required by CCSP?

DAS Response: We have revised the work sheet to allow for the CCSP cost share deduction.

§116 Appendix B – Fee Scale-Revised -- If the lead assessment agency is CCSP, will CCSP review the scale at the assessment or will the HCBS provider complete this review?

DAS Response: We are leaving this to the discretion of the AAA. It is conceivable that a provider could retain this responsibility, depending on the agreements negotiated.

Excerpted from Procedural Issuance No. 103, 1994

“REASONS FOR IMPLEMENTING A FEE-FOR-SERVICE SYSTEM

The funds available for serving older Georgians are not sufficient to meet their needs. Growth in the amounts of state and federal revenues available to fund programs for the elderly has not kept pace with the population growth over the last decade. Additionally the implications for increased demands on the aging services delivery system are clear, especially with the "graying" of the "Baby Boomers."

The Older Americans Act, which serves as the base for AAA services, prohibits charging fees for service and prohibits denying services to individuals who cannot or will not pay for services. However, it does allow for the collection of voluntary contributions. The program income derived from these contributions is a valuable resource, but success in developing this resource varies from area to area within the state. Irrespective of the many reasons for low rates of program income collection, it is clear that it is not a reliable source of revenue for program growth.

In addition to the demographic changes and the statutory constraints confronting us noted above, it is apparent that the Aging Network is experiencing the challenge of moving into a competitive arena of service delivery. There are new client "markets" and AAAs and providers alike are being called upon to increase public education activities and to serve persons beyond our traditional targeted populations of persons in greatest social and economic need.

Implementing a system of collecting fees for services, based on both client income and the cost of the services, gives us the opportunity to improve community-based services several ways:

- We can do a better job of targeting our federally funded services to low-income persons, while at the same time offering the same needed services to other persons who can and would pay for the service if it were available.
- We can generate revenues in addition to those obtained from voluntary contributions.
- We can expand services and reduce the reliance on public funds.
- We can multiply the impact of the limited state dollars for community based services.

Although we are using state funds as a base of support for the fee-for-service system, it is important to note that we are not employing a "means test" to determine eligibility for services. An individual's income will be used only to determine the amount of his/her share of the cost for the service. **The determination of eligibility will continue to be consistent with the requirements of the Older Americans Act.”**